Invention and Patentability

UNDER THE PATENT STATUTES AS APPLIED TO SO-CALLED PRINTED MATTER AND METHODS OR SYSTEMS OF DOING BUSINESS.

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There are certain classes of invention which by their nature have presented a question of patentability under the Statute. The class of printed matter is one of these.

As this class of inventions is included very largely in the class of Bookbinding, No. 11, which is now classified in Division 5, questions relating thereto are constantly arising before us in that division for consideration in various and unexpected forms.

The sub-classes embracing most of the so-called printed matter are: Leaves, Leaves and Covers, Books and Covers, Tickets, Indexing, Bank Notes, Checks and Bonds, Postal and Internal Revenue Stamps, Writing Tablets and Writing Tablets, Manifolding.

Without going far into the distinction between copyrights and patents in this art, it may be stated that prior to the year 1879, many copyrights were taken out on printed matter subjects, such as blank books and leaves therefor, ruled in different ways forming rows and columns, headings therefor, spaces for totals, items of special kinds for bookkeeping adapted for different kinds of business or purposes of various natures, which in the cases of Baker *vs.* Seldon, U. S. Supreme Court, 1880, C. D., 422, and others of like import, the United States Supreme Court held were not properly the subject of

copyrights and could not be protected under the copyright laws. In the case of Baker *vs.* Seldon, Justice Bradley delivering the opinion of the court, said:

> "The description of an art in a book entitled to the benefit of copyright lays no foundation for an exclusive claim to the art itself. The description alone can be protected by copyright. The art can only be secured, if it can be secured at all, by letters patent.
>
> "A work on the subject of bookkeeping, explanatory either of old systems or of an entirely new system, considered as a book conveying information on the subject and containing detailed explanations of the art, is the subject of copyright, but the use of the peculiar systems of bookkeeping described can not be protected thereby. . . .
>
> "The conclusion to which we have come is, that blank account books are not the subject of copyright; and that the mere copyright of Seldon's book did not confer upon him the exclusive right to make and use account books ruled and arranged as designated by him and described and illustrated in said book."

Very many cases are presented to the Patent Office for patent protection, which, prior to the decisions referred to would no doubt have been sent to the Library of Congress for copyright.

The office and the courts of the country have had difficulty in determining to which statutory class such patents belong.

In the case of Munson *vs.* City of New York, 1888, C. D., 253, the patentee claimed—

> 1st. "The preserving, filing, and verifying of bonds and coupons, certificates and all similar documents by the means and in the manner substantially as herein set forth."
>
> 2d. "The book or register constructed and used as and for the purposes set forth."

Mr. Justice Gray of the United States Supreme Court delivered the opinion of the court, and in it, said:

> "If upon the face of the specification this could be considered as an art, machine, manufacture, or composition of matter within the meaning of the patent laws (upon which we express no opinion), etc."

indicating that the United States Supreme Court did not attempt to classify the invention then before it.

The court in the case of the Cincinnati Traction Co. *vs.* Pope, hereinafter referred to, said:

> "We think the device (the street car transfer) should be classed as an article and thus a 'manufacture' within the Statute."

In still other cases where the claims were for means, tickets, receipts, etc., the courts have explicitly stated that they did not decide whether the invention was an improvement in an art or one for a machine.

In examining an application in this art as in all others—

> "The office should not overlook the fact that it must be shown that invention was exercised in producing the article or machine, and that it is not every person who has made a new or useful thing who is entitled to a patent. It is not sufficient that an applicant shall have made a new article or machine; but he must have made an *invention or discovery*. It must be the result of the exercise of the inventive faculty, not simply of the mechanical faculty." *Ex parte* Devin, 450 O. G., 709; 1888 C. D., 70.

It will be apparent that very many of the alleged inventions do not measure up to the tests and requisites of invention as defined in the patent statutes, rules, and decisions and as applied in the United States Patent Office. Many of these cases involve subject-matter new and useful and exhibit a high degree of mere ingenuity, but not patentable invention, and in the opinion of

many attorneys as expressed to the writer of this paper, are entitled to some sort of protection, as much at least, if not more, than it was supposed they used to derive under the copyright law. I personally am inclined to agree with them to some extent, if a provision of law might be enacted without injury to the present patent system which would give this protection and at the same time would not take from the public any rights which it now enjoys, and would not limit the exercise of his craft and skill and trade by the worker in these lines. It is difficult, however, to see how this can be accomplished, and unless it is, it is clear no protection under our theory of patent protection or monopoly on this class of cases can be obtained.

Printed matter, which it may be said is merely paper or other suitable substance bearing lines and indicia on it produced by printing or writing, does not, of course, of itself do work or of itself change the physical condition of any material object, but it is still very useful and necessary in carrying on the great work and activities of the world in many ways, especially in carrying on business.

METHODS AND SYSTEMS OF DOING BUSINESS.

Methods of bookkeeping, systems of transacting business, recording, tabulating, and the like are not regarded by the office of the courts as inventions nor subjects for letters patents, as indicated by Ex parte Abraham, 1869 C. D., 59; Ex parte Berolzheimer, 1870 C. D., 33; Ex parte Bierce, 1877 C. D., 47; Ex parte Moeser, 123 O. G., 655, and others for the reason that they produce no physical results proceeding directly from their operation.

Robinson on Patents, 1890 edition, Vol. 1, page 249, defines an "art" as follows:

> "But though an art embraces so wide a field of inventive skill, it includes only such operations as are capable of producing physical effects. Every invention, when applied according to the design of its inventor, must accomplish some change in the character or condition of material objects."

The settled and accepted definition of the term "art" is to be found in United States Supreme Court decisions—Corning *vs.* Burden, 15 Howard, 252; Tilghman *vs.* Proctor, 102 U. S., 707; Cochran *vs.* Diener, 94 U. S., 780; Risdon *vs.* Medart, 71 O. G., 751; Boyden *vs.* Westinghouse, 83 O. G., 1067, and Expanded Metal Co. *vs.* Bradford, 137 Fed., 870; but it may well be questioned whether the United States Supreme Court has ever stated the entire range of meaning belonging to the term "art." It may be questioned whether claim 5 of the Bell patent sustained by the United States Supreme Court covered a process such as clearly defined in the above decisions. Was there a change "effected in the nature of any substance by the art set forth in the claim? It is certainly difficult to show that any change in the *nature* of the impulse took place during transmission or reproduction. (Knight's Patent Office Manual.)

It may, however, be stated that whether or not in the future any definition of an art including a *method, process,* or *system* of doing business which is patentable may be laid down, it has not yet been done by any competent authority and as stated by Examiner-in-Chief Hodges, in *Ex parte* Abraham, 1869 C. D., "it is contrary to the spirit of the patent law as construed by the office for many years to grant patents for methods or analogous systems of bookkeeping," etc.

ARTICLE OR MANUFACTURE.

Inventions of this type are of several kinds. There are those involving merely a piece of paper sometimes having tabs, ruptured fibres, etc., provided with written or printed lines and indicia upon one or both surfaces; those which include the above elements and weakened tearing lines wholly or partially across them and those embracing a plurality of the above pieces of paper in various alleged combinations.

In determining patentability of the invention *claimed as an article or manufacture*, it was held by Commissioner

Marble in *Ex parte* Lee, 1880 C. D., 174, in which the invention claimed was as follows:

> Claim 1. "The combination of two stubs or counterparts with the contract ticket substantially as described."
>
> Claim 2. "The arrangement of the two stubs relatively to the coupons and the list of terminal stations in the manner and for the purpose specified."

That—

> "The patentable features of a railway or other ticket like those of any other substantive thing must depend upon peculiarities of mechanical construction."
>
> "The printed matter upon a ticket is nothing more than an arbitrary direction as to how such ticket is to be used, and can have no bearing upon the patentability of the ticket itself."

The Hawes patent No. 63,889, for a hotel register, in which the claim read as follows was held valid:

> "A hotel register book with the margin of its leaves occupied by advertisements, substantially as described." Hawes *vs.* Washburne et al., 50 O. G., 491.

In Library Bureau *vs.* Macy, 148 F. R., 380, in discussing patents Nos. 623,857 and 624,597, the court held that the arrangement of color signals was not invention but that the system of tabs upon the cards did involve invention.

In the case of Mitchell *vs.* International Tailoring Co., 170 F. R., 91, the claim, which specifically describes the article, reads as follows, and was sustained by the court:

> "1. The herein described advertising device comprising a card-board sheet of substantially commercial letter paper form and size, scored transversely to form upper and lower flaps to fold upon the intermediate portion, the entire inner side of said sheet being adapted to bear a

printed letter with proper letterhead upon the upper flap portion and a signature at the bottom, one of said flap portions comprising a gift to be detached from the remainder, and means for sealing the free edges of the sheet, when folded for mailing, substantially as described."

The court said:

"The folded sheet seems to me to involve no invention, but the making of one of the folds a gift likely to preserve the name and address of the sender may do so. While the patent certainly seems very obvious, I can not say, because of facts within common knowledge, that it is void on its face for lack of novelty or invention."

The infringement of the Gellenbeck patent, No. 482,899, was the basis of the suit in the Benjamin Menu Card Co. *vs.* Rand, McNally Co. et al., 210 F. R., 285.

Claim 1 of the patent read as follows:

"The combination, with a menu card, of two or more checks detachably secured thereto, two of said checks being designated, respectively, as 'guest's check,' and as 'cook's check,' so as to make the remainder incomplete as a bill of fare, and hence useless for another guest."

This invention was intended primarily for use on dining cars.

In this case, the United States Circuit Court which rendered the decision affirming the validity of the patent discussed it as follows:

"The defense urges:

"That it is not a patentable invention within the intent of the patent law, it being only for a piece of cardboard paper, with printed matter or composition on both sides thereof, and divided on one side by perforated lines and employed in a system of doing business."

The court said:

"If there is invention in it, I find no ground for objection that the elements or ingredients here

> employed are not themselves of patentable nature. The fact that the structure may be of cardboard with printed matter upon it does not exclude the device from patentability according to the practice of the Patent Office, as shown by the numerous patents introduced for the defense of anticipation; and the patentability of devices of like quality has been repeatedly recognized in decisions. Citing Waring *vs.* Johnson (C. C.), 6 Fed., 500; Thomson *vs.* Citizens' National Bank, 53 Fed. R., 250, etc."

It is asserted that the patent is void because "each of its claims is for the combination of a whole with one or more divisible parts thereof." This objection is that the invention is claimed as a "combination."

In Robinson on Patents, 155, this definition of a combination is given:

> "When the elements are so united that by their reciprocal influence upon each other, or their joint action on their common object, they perform additional functions and accomplish additional results, the union is a true combination."

Whether this term combination was aptly given to this union of bill of fare and meal checks, or whether the invention should have been denominated "an article" as suggested by the learned experts for the defense, is not essential in view of what is actually shown. Cardboard or paper have long been used for coupon tickets of various kinds, for various uses, perforated upon the desired lines for separation, with printed matter arranged upon opposite sides as required. Printed bills of fare and printed meal checks are old. Nothing new can be claimed in either of these simple elements, *but there may be invention in the thought* to bring together the bill of fare, with its three courses, and the three required meal checks, so that they shall co-operate for a common object and enlist the passenger (involuntarily) in the work of detection or avoidance of fraud.

The *use here employed does not seem so clearly analogous to that of the prior devices,* nor is the want of invention so

apparent that the prima facie force of the patent should be destroyed, especially in view of the utility and extended use shown in this record.

One of the most interesting cases in this art is the recent one of the Cincinnati Traction Co. *vs.* Pope, decided by the Circuit Court of Appeals for the Sixth Circuit, 210 F. R., 443, before Knappen and Denison, Circuit Judges, and Sater, District Judge. Claim 8 of the Pope patent upon which suit was brought, clearly discloses the subject-matter of the invention and reads as follows:

> "8. A transfer ticket comprising a body portion and a coupon and further provided with conventional indications to constitute a complete transfer ticket for one part of the day when said body portion is used separately and a complete transfer ticket for another part of the day when said body portion and coupon are used together."

The court said:

> (1) "The patent is assailed as relating merely to 'a method of transacting business, a form of contract, a mode of procedure, a rule of conduct, a principle or idea, or a permissive function, predicated upon *a thing involving no structural law*;" and counsel say that the ticket in question 'has *no physical characteristics* which enable it to be distinguished from any other transfer ticket or from any other printed slip of paper.' If this criticism is well taken, the subject-matter is not within the patent statute."
>
> (2) "But while the case is perhaps near the border line, we think the device should be classed *as an article* to be used in a method of doing business, and thus a "manufacture" within the statute."

Broadly stated:

> "The term 'manufacture,' as used in the patent law, has a very comprehensive sense, embracing whatever is made by the art or industry of man, not being a machine, a composition of matter, or a design."

"The device of the patent *clearly involves physical structure.*"

"The presence of conventional indications and legends does not rob the structure of patentability. In more than one of the cases cited, the structure sustained as patentable bore conventional indications and information."

"It may well be, *that given the idea* of the Pope patent, the expected skill of the printer or street car man would have been sufficient to determine the arrangement of printed text, and even the form of legend, etc. We think, however, the device of the structure of the Pope transfer must be held to involve invention."

In the Rand, McNally Co. *vs.* Exchange Scrip Book Co. case, 187 Fed. R., 984, which involved the patentability of a ticket resembling an ordinary mileage ticket except that the indicia on the coupons indicated money value instead of miles, the court in holding the patent valid said:

"There is no ground, under the circumstances, for saying that the *concept* is necessarily obvious. It is equally probable that it was this new *concept* that made the wider use of interchangeable tickets commercially obvious."

"Nor do we think that this patented concept is nothing more than a business method. Its use *is a part of a business method. The ticket patented* is *not* a method at all, but a physical tangible facility without which the method would have been impracticable and with which it is practicable. And this is the status of thousands of like facilities that, once designed and put into use, have become the first of a new business method; and patents on such facilities have been sustained."

This patent was sustained by the court.

This case was later reopened for consideration of new

evidence submitted by the defence and remanded to the lower court; before trial however a compromise was reached and the case settled.

The above cases pertaining to the printed matter art without question show that inventions in this art may be included under the patent statute and that valid patents may be obtained therefor and that patentability must depend on the exercise of the inventive faculty, that the claims must be drawn to structure and the usual tests applicable to mechanical structure patents must be applied to determine the question of patentability.